



**EMERGENCY MANAGER
CITY OF DETROIT**

ORDER No. 9

ORDER MODIFYING ORDERS Nos. 1 and 3

BY THE AUTHORITY VESTED IN THE EMERGENCY MANAGER
FOR THE CITY OF DETROIT
PURSUANT TO MICHIGAN'S PUBLIC ACT 436 OF 2012,
KEVYN ORR, THE EMERGENCY MANAGER,
ISSUES THE FOLLOWING ORDER:

Whereas, on March 28, 2013, Public Act 436 of 2012 ("PA 436") became effective and Kevyn D. Orr became the Emergency Manager ("EM") for the City of Detroit (the "City") with all the powers and duties provided under PA 436; and

Pursuant to section 9(2) of PA 436, the EM "shall act for and in the place and stead of" the Detroit Mayor and City Council; and

Section 9(2) of PA 436 also grants the EM "broad powers in receivership to rectify the financial emergency and to assure the fiscal accountability of the [City] and the [City's] capacity to provide or cause to be provided necessary governmental services essential to the public health, safety, and welfare;" and

Further, section 9(2) of PA 436 prohibits, during the pendency of receivership, the Detroit Mayor and City Council from exercising "any powers of those offices except as may be specifically authorized in writing by the [EM] or as otherwise provided by [PA 436] and are subject to any conditions required by the [EM];" and

Pursuant to section 10(1) of PA 436, the EM may "issue to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government the orders the emergency manager considers necessary to accomplish the purposes of this act;" and

Section 10(1) of PA 436 makes any such order “binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom it is issued;” and

Section 13 of PA 436 provides that, upon appointment of the EM, the salary, wages, or other compensation, including the accrual of postemployment benefits, and other benefits of the mayor and city council shall be eliminated; and

Pursuant to Section 13 of PA 436, the EM may restore, in whole or in part, any of the salary, wages, other compensation, or benefits of the Mayor and City Council during the pendency of the receivership, for such time and on such terms as the EM considers appropriate, to the extent that the EM finds that the restoration of salary, wages, compensation, or benefits is consistent with the financial and operating plan; and

On March 25, 2013, the EM issued Order No. 1, the Restoration of Salary and Benefits of Mayor and City Council, which became effective on March 28, 2013 (“Order No. 1”). Pursuant to Order No. 1 “Mayor David Bing’s salary, wages, compensation, and other benefits are hereby restored, immediately and in full upon the effective date hereof, as if they had never been eliminated,” and

Further, pursuant to Order No. 1 “the salary, wages, compensation, and other benefits of the Detroit City Council are hereby restored, immediately and in full upon the effective date [of Order No. 1], as if they had never been eliminated;” and

On April 11, 2013, the EM issued Order No. 3, the Authorization for the Detroit Mayor and City Council to Conduct the Day-to-Day Business of the City (“Order No. 3”). Order No. 3 authorized the “Detroit Mayor and City Council to continue to carry out the business, proceedings, administration, and operation of City services” subject to the terms of Order No. 3 and PA 436; and

The EM has determined that Council President Charles Pugh has failed to fulfill his obligations and duties as a member and President of City Council; and

By their express terms, the EM reserved the right to “modify, amend, rescind, replace, supplement or otherwise revise” Orders Nos. 1 and 3 at any time; and

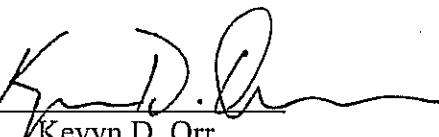
The EM hereby modifies and revises Orders Nos. 1 and 3 as follows:

It is hereby ordered that:

1. Order Nos. 1 and 3 are modified and revised solely in accordance with the terms of this Order. Except as expressly modified or revised herein, Order Nos. 1 and 3 shall remain in full force and effect.

2. The salary, wages, and compensation authorized by Order No. 1 for Council President Charles Pugh are hereby terminated and eliminated in full as of July 7, 2013.
3. During the period that Mr. Pugh remains a member of City Council, any authority granted in Order No. 3 for Mr. Pugh to act in the capacity as Council President is hereby revoked.
4. If any component of this Order is declared illegal, unenforceable or ineffective by a court of competent jurisdiction, such component shall be deemed severable so that all other components contained in this Order shall remain valid and effective.
5. This Order is effective immediately upon the date of execution below.
6. The EM may modify, amend, rescind, replace, supplement or otherwise revise this Order at any time.
7. This Order shall be distributed to the Mayor, City Council members and all department heads.

Dated: June 27th, 2013

By: 
Kevyn D. Orr
Emergency Manager
City of Detroit

cc: State of Michigan Department of Treasury
Mayor David Bing
Members of Detroit City Council